

EXHIBIT N

C O N F I D E N T I A L

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re PETROBRAS SECURITIES LITIGATION

Case No.
14-cv-9662

This Document Applies to: All Cases

February 19, 2016
9:23 a.m.

Videotaped deposition of GERSON LUIZ GONCALVES,
taken by Plaintiffs, pursuant to Notice, held at
the offices of Pomerantz LLP, 600 Third Avenue,
New York, New York, before Joseph R. Danyo, a
Shorthand Reporter and Notary Public within and
for the State of New York.

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2 internal audit, who did you report to?

3 A. The internal audit for Petrobras reports
4 to the board of directors. It is connected to the
5 board through the auditing committee.

6 Q. Thank you.

7 THE INTERPRETER: The interpreter stands
8 by her previous interpretation.

9 Q. What were your general responsibilities
10 as the executive manager of internal audit?

11 A. To sum it up, to assess the high
12 administration and the controls of the systems and
13 operations of Petrobras.

14 MS. CHANG: Did he say internal control,
15 to clarify?

16 THE INTERPRETER: Internal control.
17 Thank you very much. I stand corrected. It
18 is not the internal control, so the
19 interpreter stands by her interpretation.

20 A. It is the controls, because there is a
21 specific internal control division at Petrobras.

22 Q. But you were an internal audit, there is
23 a distinction between internal audit and the
24 internal control division, if I understand your
25 testimony. Is that right?

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2 Q. Mr. Goncalves, I think you were about to
3 answer my question.

4 A. Could you repeat the question, please.

5 MR. KEHOE: If you can interpret the
6 last question back.

7 MS. VICENS: Objection to form again.

8 A. I am going to give you a simplified
9 answer. There is a standard auditing procedure
10 that goes through many different phases. When we
11 find or check and see that there is something at
12 the auditing division, that there is something that
13 is unusual or that goes, veers off of that
14 standard, so auditing looks for the cause of the
15 issue or tries to clarify the cause for the
16 discrepancy, and then depending upon the results,
17 it may be a situation that is justified. In other
18 words, doesn't require any measures such as
19 emergency purchases or the beginning of a fire or a
20 leakage that could eventually cause an explosion.

21 And in that case we buy that equipment or that
22 material from whomever is ready to deliver it.

23 Q. So internal audit would do this?

24 A. The internal auditing questions, whoever
25 did that, and tries to find clarifications.

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2 conducted audits from time to time of Petrobras'
3 business activities?

4 MS. VICENS: Objection to form.

5 Q. Let me ask a different question. What
6 did the TCU do?

7 A. Let me explain then. Every state
8 company has its investments, investment plans,
9 approved by the Brazilian Congress. Okay?
10 Therefore, the accounts court audits on a yearly
11 basis key projects approved by the Congress. In
12 the case of Brazil, large projects are the ones
13 connected to Petrobras. Therefore, the accounts
14 court audits a large amount of documents within the
15 company. Contracts.

16 Q. Are you done?

17 A. Audits, the execution of each one of
18 these projects that are approved by the Congress.

19 Q. Are you involved in communicating with
20 the TCU in connection with their audits?

21 MS. VICENS: Objection to the form.

22 When?

23 MR. KEHOE: Any time.

24 A. What happens at Petrobras, we need to
25 have control integrated measures so that the

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2 internal audit, the accounting courts and the
3 federal general controllers do not audit the same
4 processes within the same period of time, so when
5 TCU, the TCU audits anything, I follow up with
6 their work.

7 Q. Do you typically receive the TCU audit
8 reports?

9 A. In order to guarantee that all the
10 inquiries by the accounting courts are answered or
11 responded to and considering that Petrobras is a
12 mixed economy company and considering that
13 Petrobras is a mixed economy company but is also
14 subject to corporations law of Brazil, so on
15 Petrobras' bylaws, it reflects that on Petrobras'
16 bylaws that the relationship between Petrobras and
17 any other companies is done through the president
18 of the country -- sorry.

19 THE INTERPRETER: Correct herself.

20 A. Through the president of the company.

21 MS. VICENS: Between Petrobras and any
22 other entities.

23 MR. BARROSO: Instead of companies.

24 THE INTERPRETER: Thank you. The
25 interpreter will stand corrected.

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2 A. So every TCU report and every CGU report
3 are submitted to the president.

4 Q. Of the company?

5 A. Of the company. The president's cabinet
6 submits the reports to the internal auditing
7 division.

8 Q. So you get the report eventually?

9 A. Within the internal audit, there is a
10 management in charge of following up the responses
11 of the company to the TCU and CGU inquiries.

12 Q. Mr. Goncalves, I am handing you what has
13 been marked as Goncalves 15.

14 (Goncalves Exhibit 15, TCU report, was
15 so marked for identification, as of this
16 date.)

17 Q. Do you recognize Goncalves Exhibit 15?

18 A. Yes. It is a TCU report.

19 Q. Now when I say do you recognize it, have
20 you seen this particular report before?

21 A. I review endless reports, a lot of them,
22 and they are very extensive reports.

23 Q. Does the company I assume maintains the
24 TCU reports. Is that fair to say?

25 A. Yes.